



# At the Crossroads of Global Shipping: Investment, Logistics, & Manufacturing Opportunities under the U.S.-Oman FTA

U.S. Embassy Muscat

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**Topic:** Investment Opportunities in Oman's Ports & Free Zones

**Host:** Greta C. Holtz, U.S. Ambassador to Oman

**Special Guests:**

- Peter Ford, CEO, Port of Salalah
- Reggy Vermeulen, Commercial Manager, Duqm Special Economic Zone Authority (SEZAD)
- Jacoba Bolderheij, Customer Relations Manager, Port of Sohar
- Khalid al-Shuaibi, Director General of International Organizations & Commercial Relations, Ministry of Commerce & Industry
- Jeffrey Rodwill, Partner, Duane Morris-Said Al Mashaiki Law Firm

**Date, time, time zone for call:** July 3 at 11:30am EDT / 07:30pm in Muscat

**Brief description of call:**

Oman's strategic location outside the Strait of Hormuz, its estimated \$7 billion per year in infrastructure spending over the last decade, and the U.S. – Oman Free Trade Agreement position Oman to be the premier global shipping and logistics hub for the region.

Oman's three main ports, Sohar, Duqm, and Salalah are drawing a steady rate of new investors from around the globe who are attracted to Oman because of its proximity to customers in emerging markets and to producers of raw materials, and because of the security of Oman's ports outside of the Strait of Hormuz.

**Duqm** is a brand new city established in the interior of Oman featuring a new port; roads; flood protection dams and breakwaters; naval base; drydock; a \$250m fisheries hub; industrial free zone; hotels; power and desalination plants; a \$6 billion, 230,000 barrels per day refinery; a \$480m pipeline from interior oil fields; and oil tank storage farm.

**Sohar** has been at the forefront of Oman's downstream manufacturing boom, featuring a free zone made up of

aluminum, steel, plastics, petrochemicals, sulfur and fertilizer industries. Oman's largest oil refinery also resides there, and is in the process of a \$1.5bn expansion to add an additional 60,000 bpd to its current 116, 400 bpd capacity. In order to address the shortage of gas to power continued industrial diversification, the GoO has awarded BP a 30 year, \$15 billion+ concession to develop the Khazzan gas field, which will be able to produce an estimated 1 billion cubic feet per day when it comes online by 2017.

**Salalah** is attracting international attention for its prime location at the crossroads of East-West shipping and aggressive growth. The PET, mineral processing, and methanol industries in Salalah's free zone, in combination with Sohar, have contributed to Oman's success in reducing the contribution of oil and gas to around 50% of GDP from the lion's share only about a decade ago (it still makes up 82% of state revenues), though the downstream manufacturing sector still relies on scarce gas for power as well as oil as an input. When Oman's \$15 billion+ portion of the new long-term GCC railway project is complete, shippers will be able to avoid the risky, costly Straits of Hormuz, leveraging multi-modal transit options via rail, air, and local shipping to reach regional markets.

The United States and Oman are committed to deepening economic and commercial ties, and as such, signed a Free Trade Agreement, or FTA, in 2009. The FTA is a reflection of our belief that Oman's strategic location, top notch infrastructure, and friendly, stable environment make it a good place for U.S. companies to do business. Bilateral trade volume has grown by over 50% since the FTA was implemented, from \$2.2 billion in 2008 to \$3.1 billion in 2012. U.S. exports to Oman increased by 21%, from 1.4 billion in 2011 to 1.7 billion in 2012. (Oman's exports to the U.S. decreased by 69%, from a record high of 2.2 billion in 2011 to 1.3 billion in 2012.)

Presenters will outline key opportunities and ways forward for U.S. investors under the FTA in the areas of sourcing, manufacturing, processing, and logistics. Interested U.S. company representatives can pose real time questions to the speakers and connect with them for direct follow-up.

Please RSVP by clicking [here](#) or e-mail: [muscatcommercial@state.gov](mailto:muscatcommercial@state.gov)

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